

Amendment No. 1 to HB0855

**Odom
Signature of Sponsor**

AMEND Senate Bill No. 880

House Bill No. 855*

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following language as a new, appropriately designated section:

§67-6-393

(a) There is exempt from the tax imposed by part 2 of this chapter the sale at retail or the use of the following new motor vehicles: qualified fuel cell motor vehicles, qualified hybrid motor vehicles, and qualified alternative fuel motor vehicles; provided, however, such retail sale or use shall be subject to the local option tax authorized by §67-6-702.

(b) The exemption provided by subsection (a) shall apply only in cases of initial retail sale of any such new motor vehicle, the original use of which commences with the purchaser and which is acquired by the purchaser for use or lease. The exemption shall no longer apply if such motor vehicle is subsequently resold.

(c) For the purposes of this section:

(1) "Alternative fuel" means compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, or any liquid fuel at least eighty-five percent (85%) of the volume of which consists of methanol;

(2) "New motor vehicle" means any motor vehicle which has never been the subject of a sale at retail to the general public;

(3) "Qualified alternative fuel motor vehicle" means any motor vehicle which is only capable of operating on an alternative fuel;

(4) "Qualified fuel cell motor vehicle" means a motor vehicle which is propelled by power derived from one (1) or more cells which convert chemical energy directly into electricity by combining oxygen with

hydrogen fuel which is stored on board the vehicle in any form and may or may not require reformation prior to use; and

(5) "Qualified hybrid motor vehicle" means a motor vehicle which draws propulsion energy from onboard sources of stored energy which are both:

(A) An internal combustion or heat engine using consumable fuel;

and

(B) A rechargeable energy storage system.

SECTION 2. This act shall take effect July 1, 2005, the public welfare requiring it.